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OGC 63-0808(a)

2 APR 1963

MEMORANDUM FOR: Chief, Operations and Liaison
Finance Division

SUBJECT: Applicability of Greater Metropolitan
Area HHE Delivery and Pick-Up Rates

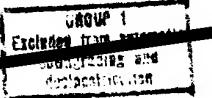
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1. Your 19 March 1963 memorandum concerns excess delivery charges to Mr. [redacted] in the amount of \$51.52, and requests our opinion as to:

(a) whether the full charges for delivery and pick-up of household effects in connection with PCS overseas assignments are properly charged to the Agency regardless of the location of the employee's abode, and

(b) whether or not this is a matter for purely administrative discretion.

2. Your memorandum relates that for a number of years storage contracts between CIA and commercial storage companies have reflected a rate, for HHE storage shipments, limited to pick-up or delivery from or to points within the Greater Metropolitan Area (commercial zone) of Washington, D. C. A higher ICC rate applies for points outside this zone and, as in Mr. [redacted] case, 25X1A9A where the employee resides outside the zone, the policy followed by the Finance Division has been to charge the employee with the excess, i.e., the difference between the higher rate and the commercial zone rate. However, since our headquarters are now outside the District, approximately nine miles from the commercial zone zero milestone and three miles inside the western boundary of the zone, the use of this zone sometimes works an inequity on our employees. Thus, I understand an employee living in Vienna, Virginia, approximately seven miles from the headquarters building, is outside the commercial zone whereas employees residing in such areas as Beltsville, Clinton, and Fort Belvoir are within the zone although approximately twenty miles from the headquarters building.



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3. I have discussed this matter with Mr. [redacted] your office and, at his suggestion, with Mr. [redacted] Chief, 25X1A9A Passenger Movement Branch, Transportation Division, Office of Logistics. I understand from these discussions that the commercial zone, with its zero milestone at the White House, was adopted by the Agency when its headquarters were in the District. I further understand that the zone is used as a matter of administrative convenience, because its rates and geographic boundaries have been worked out in detail by the ICC, and as a means of conforming with the practice of other Government agencies.

4. The controlling legal authorities are Section 4D, CIA Act of 1949, as amended, and Section 1.3, Standardized Government Travel Regulations (SGTR), as amended. Insofar as pertinent, Section 4D of our Act provides that the Agency shall pay, under such regulations as the Director may prescribe, the cost of transporting to and from a place of storage the personal and household effects of an employee of the Agency in connection with a PCS overseas assignment.

5. The only applicable regulation which has been prescribed is [redacted] which authorizes shipment of effects:

"When storage at Government expense is authorized from permanent duty post to nearest adequate storage facility and thence to any subsequent permanent duty posts."

This regulation therefore contemplates storage shipments between the permanent duty post and the nearest adequate storage facility. Since the nearest adequate storage facility is not at issue here, the question resolves itself into a determination of the limits of the employee's duty post.

6. Section 1.3 SGTR provides that the limits of the duty post or station:

"will be the corporate limits of the city or town in which the officer or employee is stationed, but if not stationed in an incorporated city or town, the official station is the reservation, station, or

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established area, or, in the case of large reservations, the established subdivision thereof having definite boundaries within which the designated post of duty is located."

Since the Agency headquarters are not located within the corporate limits of a city or town, it appears from this section that the duty post, for purposes of HHE storage shipments of employees stationed at headquarters, should be the "established area." However, the Agency has not specifically prescribed an established area since moving to Langley. Rather, it has continued to use the Washington, D. C. commercial zone. In effect, therefore, the commercial zone has been administratively adopted as the established area for headquarters.

7. In view of the Agency's move to Virginia, this continued use of the commercial zone has limited basis in fact and sometimes results in inequities to our employees. These factors militate in favor of the Agency prescribing an established area with the headquarters building at its hub. Such an area should include places of abode, located a reasonable distance from the headquarters building, from which our employees commute on a daily basis. What is a reasonable distance should be administratively determined by taking into consideration the various factors involved.

8. Therefore, in answer to the questions posed in your memorandum, the full charges for HHE storage shipments in connection with PCS overseas assignments are not properly chargeable to the Agency regardless of the location of the employee's abode, and this is not a matter for purely administrative discretion. Rather, such charges are only allowable when a headquarters employee resides within the limits of his duty post.

9. As requested, the copy of the Interstate Commerce Commission Notice, dated November 1, 1961, is returned herewith.



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Office of General Counsel

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